

House File 339 - Introduced

HOUSE FILE 339
BY COMMITTEE ON ECONOMIC
GROWTH AND TECHNOLOGY

(SUCCESSOR TO HF 153)

A BILL FOR

1 An Act creating a vacant school building demolition grant
2 program and fund and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15.263 Vacant school building
2 demolition grant program — fund.

3 1. A vacant school building demolition grant fund is created
4 in the state treasury under the control of the authority. The
5 fund shall consist of moneys appropriated to the authority for
6 deposit in the fund and any other moneys that are lawfully
7 available to the authority. There is appropriated from the
8 rebuild Iowa infrastructure fund for deposit in the vacant
9 school building demolition grant fund, for each fiscal year
10 beginning on or after July 1, 2023, but on or before July 1,
11 2025, the sum of two million dollars.

12 2. Moneys in the vacant school building demolition grant
13 fund are appropriated to the authority for purposes of funding
14 a grant program for the demolition of vacant buildings owned
15 by a political subdivision of this state or proposed to be
16 acquired by a political subdivision of this state that became
17 vacant before January 1, 2021, and were at any time previously
18 used as school attendance centers or school administration
19 buildings, but which are no longer used for any political
20 subdivision purpose.

21 3. Notwithstanding section 12C.7, subsection 2, interest
22 or earnings on moneys deposited in the vacant school building
23 demolition grant fund shall be credited to the vacant school
24 building demolition grant fund. Notwithstanding section 8.33,
25 moneys credited to the vacant school building demolition grant
26 fund shall not revert at the close of a fiscal year. However,
27 if the authority receives no qualifying applications for three
28 consecutive years, the moneys in the vacant school building
29 demolition grant fund shall be transferred for deposit in the
30 rebuild Iowa infrastructure fund.

31 4. The authority may use not more than five percent of
32 the moneys in the fund at the beginning of the fiscal year
33 for purposes of administrative costs, finance, compliance,
34 marketing, and program support.

35 5. a. The authority shall provide grants under this section

1 using a competitive scoring process. The authority shall
2 prioritize grant applications from political subdivisions with
3 the lowest populations as compared to other grant applicants.
4 A grant shall only be approved if the eligible building is
5 located in a city or township with a population less than
6 two thousand five hundred, and the political subdivision
7 applying is either a county with a population that is among the
8 eighty-eight lowest-populated counties in the state or is a
9 political subdivision that is located in whole or in part in
10 such a county.

11 *b.* In providing grants under this section, the authority
12 shall coordinate with the political subdivision to develop a
13 plan for the use of grant funds that is consistent with the
14 community development, housing, or economic development goals
15 of the political subdivision.

16 *c.* In providing grants under this section, the authority
17 shall coordinate with the political subdivision to ensure that
18 the condition and use of the property following demolition is
19 consistent with the property's surroundings, including for
20 future new construction, park space, or agricultural use.

21 *d.* The political subdivision shall not be required to sell
22 the property after demolition as a condition of the grant.
23 However, if the property is sold by the political subdivision
24 following demolition, proceeds from sale of the property,
25 following subtraction of the political subdivision's costs
26 related to the demolition, including costs to acquire the
27 property if applicable, shall be paid to the authority for
28 deposit in the vacant school building demolition grant fund.

29 6. The authority shall submit a report to the general
30 assembly and the governor's office on or before January 31 of
31 each year, describing the results of the program implemented
32 pursuant to this section and making recommendations for
33 additional program changes.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill creates a vacant school building demolition
3 grant program to be administered by the economic development
4 authority for the demolition of vacant buildings owned by a
5 political subdivision of this state or proposed to be acquired
6 by a political subdivision of this state that became vacant
7 before January 1, 2021, and were at any time previously used as
8 school attendance centers or school administration buildings,
9 but which are no longer used for any political subdivision
10 purpose.

11 The bill creates a vacant school building demolition
12 grant fund in the state treasury under the control of the
13 authority. The fund shall consist of moneys appropriated to
14 the authority and any other moneys that are lawfully available
15 to the authority. The bill appropriates from the rebuild
16 Iowa infrastructure fund for deposit in the vacant school
17 building demolition grant fund, for each fiscal year beginning
18 on or after July 1, 2023, but on or before July 1, 2025, \$2
19 million. Interest or earnings on moneys deposited in the
20 vacant school building demolition grant fund shall be credited
21 to the vacant school building demolition grant fund and moneys
22 credited to the vacant school building demolition grant fund
23 shall not revert at the close of a fiscal year. If, however,
24 the authority receives no qualifying applications for three
25 consecutive years, the moneys in the vacant school building
26 demolition grant fund shall be transferred for deposit in the
27 rebuild Iowa infrastructure fund.

28 The authority is required to provide grants using a
29 competitive scoring process. The authority shall prioritize
30 grant applications from political subdivisions with the lowest
31 populations as compared to other grant applicants. A grant
32 shall only be approved if the eligible building is located in a
33 city or township with a population of less than 2,500, and the
34 applicant is either a county with a population that is among
35 the 88 lowest populated counties in the state or is a political

1 subdivision that is located in whole or in part in such a
2 county. The authority is also required to coordinate with
3 each political subdivision to develop a plan for the use of
4 grant funds that is consistent with the community development,
5 housing, or economic development goals of the political
6 subdivision and to ensure that the condition and use of the
7 property following demolition is consistent with the property's
8 surroundings.

9 The political subdivision shall not be required to sell
10 the property after demolition as a condition of the grant.
11 However, if the property is sold by the political subdivision
12 following demolition, proceeds from sale of the property,
13 following subtraction of the political subdivision's costs
14 related to the demolition, including costs to acquire the
15 property if applicable, shall be paid to the authority for
16 deposit in the vacant school building demolition grant fund.

17 Under the bill, the authority may use not more than 5 percent
18 of the moneys in the fund at the beginning of the fiscal year
19 for purposes of administrative costs, finance, compliance,
20 marketing, and program support.

21 The authority is required to submit a report to the general
22 assembly and the governor's office on or before January 31 of
23 each year, describing the results of the program implemented
24 pursuant to this section and making recommendations for
25 additional program changes.